2.7 Analysing Human Resource Performance: Productivity and Turnover: 30-minute Pack

AQA 7132 · Calculator allowed · about 30 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Show your working for every calculation. Greenleaf Cafe, used throughout this pack, is a fictional business.

1 State the formula Greenleaf Cafe would use to calculate labour turnover rate, expressed as a percentage for a given period.

(Total for Question 1 is 1 mark)

2 State the formula Greenleaf Cafe would use to calculate the absenteeism rate as a percentage, using days lost, number employed and working days.

(Total for Question 2 is 1 mark)

3 Absenteeism for Greenleaf Cafe in Year 2: total days lost to sickness were 270 days. Use 27 employees and 250 working days per year.
Calculate the absenteeism rate for Year 2 as a percentage to one decimal place. Show your working.

(Total for Question 3 is 3 marks)

4 In Year 2 Greenleaf Cafe produced 13 500 items and employed 27 staff.
Calculate the labour productivity for Year 2 (output per employee per year). Show your working.

(Total for Question 4 is 2 marks)

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5 Table for Greenleaf Cafe summarising key HR metrics.
Year 1: Output 12 000; Employees start 30 end 28; Staff leaving 6; Days lost 450.
Year 2: Output 13 500; Employees start 28 end 27; Staff leaving 3; Days lost 270.
For this analysis, use the average of the start and end employee numbers in each year for all three rates, and assume 250 available working days per employee per year.
Analyse the changes in Greenleaf Cafe's HR performance between Year 1 and Year 2 and explain two possible business consequences of these changes. Use the table figures in your answer.

(Total for Question 5 is 6 marks)

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6 Using the HR metrics given for Greenleaf Cafe (productivity, turnover and absenteeism for Year 1 and Year 2), assess how effective the business's workforce management appears to be. In your answer evaluate the likely causes and consequences of the changes in the figures and give a justified conclusion.

(Total for Question 6 is 9 marks)

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Mark scheme · 2.7 Analysing Human Resource Performance: Productivity and Turnover: 30-minute Pack

Question 1

number of staff leaving divided by average number employed, multiplied by 100 **B1**

Answer: Labour turnover rate = (number of staff leaving / average number employed) x 100.

Question 2

absent days divided by (number employed x working days) multiplied by 100 **B1**

Answer: Absenteeism rate = (days lost / (number employed x working days)) x 100.

Question 3

denominator = 27 x 250 = 6,750 seen **M1**

270 / 6,750 x 100 seen **M1**

4.0% cao **A1**

Answer: 4.0% absenteeism rate.

Question 4

13,500 / 27 seen **M1**

500 units per employee cao **A1**

Answer: 500 units per employee per year.

Question 5

identifies higher productivity using average employees: 12 000/29 = about 414 and 13 500/27.5 = about 491 units per employee (about 18.6% higher), oe **B1**

identifies a further HR improvement using average employees, e.g. turnover falls from 6/29 x 100 = 20.7% to 3/27.5 x 100 = 10.9%; absenteeism falls from 450/(29 x 250) x 100 = 6.2% to 270/(27.5 x 250) x 100 = 3.9%, oe **B1**

identifies a first valid business consequence linked to a change, e.g. higher productivity may reduce unit labour cost, oe **B1**

develops the first consequence for Greenleaf Cafe, e.g. more output per employee can improve margins if pay and hours are unchanged, oe **B1**

identifies a second, distinct valid consequence linked to a change, e.g. lower turnover reduces recruitment/training needs, or lower absence reduces staffing disruption, oe **B1**

develops the second consequence for Greenleaf Cafe, e.g. saving hiring costs and retaining experienced staff may improve service; or fewer absences reduce overtime/temporary-cover costs, oe **B1**

Answer: Average employees are 29 and 27.5. Productivity rises from about 414 to 491 units per employee (18.6%); turnover falls from 20.7% to 10.9%; absence falls from 6.2% to 3.9% of available working days. Any two explained consequences are credited, e.g. higher productivity may lower unit labour costs and improve margins, while lower turnover may reduce hiring/training costs and improve service continuity.

Question 6

Level 1 Makes basic statements about the HR metrics with limited use of the table figures and little or no evaluation or judgement. **1-3**

Level 2 Gives a developed analysis using the provided figures, considers one or two causes or consequences, and offers a partially justified judgement. **4-6**

Level 3 Provides a balanced assessment that uses the figures to analyse causes and consequences, evaluates alternative explanations, and reaches a clear, justified conclusion about workforce management effectiveness. **7-9**

Indicative content:

- Use the calculated figures: productivity rose from 400 to 500 units per employee, turnover fell from 20.7% to 10.9%, absenteeism fell from 6.0% to 4.0%.
- Possible causes: improved training or better shift scheduling raising productivity; redundancy or restructuring reducing staff numbers and increasing average output per employee; improved HR policies or better morale reducing turnover and absenteeism; recruitment of more skilled staff raising output.
- Consequences: higher productivity can lower unit labour cost and increase profitability or capacity to serve more customers; lower turnover reduces recruitment and training costs and supports service consistency; lower absenteeism reduces disruption and overtime costs.
- Evaluate alternative explanations: productivity rise might partly reflect reduced headcount rather than genuine efficiency gains; lower turnover could result from fewer recruits being hired rather than better retention; falling absenteeism may reflect short-term incentives that are not sustainable.
- Consider risks and recommendations: monitor whether productivity gains are sustainable, check staff workload and well-being to avoid burn-out, complement numeric metrics with staff surveys and customer service measures.
- Judgement: a reasoned conclusion weighing numerical improvements against potential caveats, for example that Greenleaf Cafe's workforce management appears to be improving but should be checked for sustainability and employee welfare before declaring it wholly effective.

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